Main Points of Risk Analysis

What?

1. **Risk:** The chance of encountering loss or harm.

2. **Risk Analysis:** An integral part of risk management; risk analysis attempts to **quantify** and or **qualify** the level and nature of risk so that it can be managed. An **information security risk analysis attempts to quantify and qualify the likelihood of encountering harm or loss of information or data assets.**

   - Risk cannot be managed without conducting a thorough risk assessment. To adequately consider your chances of incurring harm or loss, it is necessary to consider both the **value of the information**, as well as the **types and probability of risks** to the information.

Why?

- Risk assessment should be conducted in order to provide administration and technology coordinators with the information they need to make sound policy decisions regarding risk – whether to:
  
  A) accept it,
  
  B) mitigate it,
  
  C) transfer it, or
  
  D) avoid it.

When?

- Risk analysis should be conducted when starting a project or development cycle, as well as at preplanned intervals that coordinate with school cycles.

Who?

- Effective risk analysis includes internal experts—who know about and/or own the assets in question—and subject matter experts, because no one knows systems better than the individuals responsible for developing and maintaining them. The risk analysis outcome should be sound information to ensure sound administrator decision-making regarding security controls to implement.

What can the results tell you?

- A risk analysis should tell administration and technology coordinators how to proceed based on current concerns and corresponding costs to control the risk versus accepting the risk.

- Risk analysis will not eliminate risk, rather it should help reduce risk to an acceptable level, also known as risk mitigation. Decisions are based on the costs required to implement safeguards and the expected risk mitigation. Costs to implement safeguards and mitigate risks are discussed further in the section on cost-benefit analysis.